
From: Lena Young-Gallardo
Sent: Wednesday, December 29, 2021 9:01 AM
To: BSD-CBO List; BSD-FinMgrsMeet List; persadmin
Cc: BSD-ExecutiveStaffList
Subject: Bulletin - IRS Mileage Rate for 2022
Attachments: Bulletin - IRS Mileage Rate for 2022.pdf

Good morning,

Please see the attached bulletin regarding the standard mileage rates for business, medical, moving and charitable organization miles driven.

Happy New Year!!

Lena



Transforming lives through education

Lena Young-Gallardo, Director

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DATE: December 29, 2021

TO: Chief Business Officials, Personnel Administrators, Directors of Fiscal Services,
Directors of Purchasing, and Accounting Supervisors

SUBJECT: IRS Increases Standard Mileage Rates for 2022

The Internal Revenue Service (IRS) has announced the 2022 standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical, or moving purposes. **The rate for business miles driven during 2022 has increased by two and a half cents per mile from the 2021 rate.** The medical and moving rate increased by 2 cents per mile from the 2021 rate. The charitable rate is set by statute and remains unchanged.

Effective January 1, 2022, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- **58.5 cents per mile for business miles driven**
- 18 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations (same as 2021)

If a district mileage rate is not greater than the standard IRS rate and if each payment is substantiated by a written employee mileage claim for business use of a personal automobile, the IRS considers each payment as made under an accountable plan and not reportable as taxable compensation on an employee's W-2 statement. However, if the IRS standard rate is exceeded, the excess is taxable compensation and is subject to W-2 reporting, withholding tax, and Social Security and Medicare taxes, if applicable to the employee.

Automobile Allowance/Mileage Allowance-AAL

An automobile or mileage **allowance** is a fixed amount paid to an employee for business use of a personal automobile. Allowances are **not** based on claims for actual miles driven, are **not** reimbursements and are **not** under an accountable plan. As a result, the entire amount of an automobile or mileage allowance is considered taxable compensation by the IRS and is subject to applicable employment taxes (withholding, Social Security and Medicare) and must be fully reported on employees' W-2 statements.

Sincerely,

Ted Alejandre
County Superintendent of Schools

Signed Lena Young-Gallardo

Lena Young-Gallardo, Director
District Financial Services

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